WAPA and MARKETS

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elcome to the June issue of WAPA and markets. The major news this month is the release of Desert Southwest's study results for energy imbalance management.

Our next issue in August will likely share DSW's final decision for energy imbalance management and important developments on the Southwest Power Pool Regional Transmission Organization exploration, so keep any eye out for our next newsletter.

| AUGUST 2021 | | | | | | | |
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DSW SHARES STUDY RESULTS, EIM PROPOSAL

DSW shared the results of its cost analysis and benefits study with customers at a June 22 meeting after more than a year and a half of exploring energy imbalance management options.

Neighboring study participants Arizona Electric Power Cooperative, Central Arizona Water Conservation District and Southwest Public Power Agency also briefed study outcomes for their respective organizations at the meeting.



The cost analysis and benefits study compared the California Independent System Operator's Western Energy Imbalance Market and Southwest Power Pool's Western Energy Imbalance Service market. DSW is exploring alternatives to energy imbalance management because the Western Area Lower Colorado Balancing Authority is currently surrounded by market participants. This results in fewer opportunities to trade hourly or sub-hourly energy in an efficient and cost-effective manner.

After going through each of the organization's results and sharing a number of other decision factors, DSW proposed that CAISO's EIM is the best option moving forward. Customers have through July 22 to provide comments by contacting DSWPWRMRK@WAPA.GOV. After this feedback period, DSW expects to announce its energy imbalance management decision in August with a target implementation date in 2023.

More information on DSW's effort is available on the DSW energy imbalance market activities webpage. The June 22 presentation is available as well as study updates and other information.

EXPLORATION OF SPP RTO MEMBERSHIP CONTINUES, WEBPAGE AVAILABLE

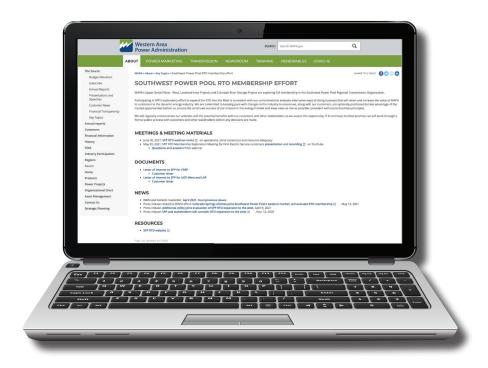
Upper Great Plains – West, Rocky Mountain and the Colorado River Storage Project are working with SPP and neighboring electricity providers to determine how extending the existing SPP RTO into the Western Interconnection could work. The overarching goal is to have one market operated across the direct-current ties with as few modifications to the existing SPP RTO tariff as possible. However, there are unique considerations that will need to be addressed, such as cost allocation of the DC ties, incorporating necessary federal provisions and a limited number of additional items. SPP staff are developing a terms and conditions document for participant and stakeholder review and SPP Board of Directors approval.

In the meantime, employees continue to engage in regional customer outreach and discussions. WAPA and SPP have also committed to hosting a number of informational webinars to educate customers on SPP's organization and business policies and practices. These meetings are designed to inform regional conversations and discussions between customers and WAPA as WAPA continues exploring full RTO membership.

The first meeting was held May 20 for firm electric service customers. This two-hour meeting covered services offered by the RTO, SPP's new member integration process and details of the Brattle Study commissioned by SPP on the expanded RTO.

A second webinar is scheduled for June 30 for FES, balancing authority and firm transmission customers. This two-hour meeting will go over SPP operations, zonal constructs and resource adequacy. Registration information has been emailed to customers and is also available on WAPA's Open Access Same-Time Information System.

Webinar recordings, presentations, invites and other initiative information are available on a new SPP RTO membership effort webpage located on The Source. This webpage will be WAPA's hub of public information regarding this effort, and it will be routinely updated as WAPA identifies and reaches milestones.





Thank you for reading the WAPA and Markets newsletter. For more information, call your regional representative or visit the WAPA and markets webpage on The Source.

